Senate File 312 - Introduced

SENATE FILE 312 BY KINNEY

A BILL FOR

- 1 An Act relating to employment agreements assigning rights
- 2 to inventions by employees and including applicability
- 3 provisions.
- 4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

S.F. 312

- 1 Section 1. NEW SECTION. 94.1 Definitions.
- 2 For purposes of this chapter, unless the context otherwise 3 requires:
- 4 1. "Employee" means a natural person who is employed in this
- 5 state for wages by an employer.
- 6 2. "Employer" means a person, as defined in chapter 4, who
- 7 in this state employs for wages a natural person.
- 8 3. "Invention" means an original concept which may be
- 9 rendered into an artistic, educational, or technological
- 10 expression, including works, compositions, designs, machines,
- 11 manufacturing or engineering techniques, analyses, or
- 12 processes.
- 13 Sec. 2. NEW SECTION. 94.2 Limitation on assignment of
- 14 employee rights to inventions.
- 15 l. Any provision of an employment agreement which provides
- 16 that an employee shall assign or offer to assign any of
- 17 the employee's rights to an invention to the employer shall
- 18 not apply to an invention for which equipment, supplies,
- 19 facilities, or trade secret information of the employer was not
- 20 used and which was developed entirely on the employee's own
- 21 time, unless any of the following apply:
- 22 a. The invention relates to the business of the employer or
- 23 to the employer's actual or demonstrably anticipated research
- 24 or development.
- 25 b. The invention results from any work performed by the
- 26 employee for the employer.
- 27 2. A provision of an employment agreement in violation of
- 28 this section entered into between an employer and employee
- 29 on or after the effective date of this Act is void and
- 30 unenforceable. An employer shall not require an employee to
- 31 enter into such an employment agreement as a condition of
- 32 employment.
- 33 Sec. 3. NEW SECTION. 94.3 Employee notification.
- 34 If an employment agreement contains a provision requiring
- 35 the employee to assign any of the employee's rights to any

S.F. 312

- 1 invention to the employer, the employer shall provide, at the
- 2 time the agreement is made, a written notification to the
- 3 employee of the employee's rights provided by section 94.2,
- 4 which notification shall include the text of section 94.2.
- 5 Sec. 4. NEW SECTION. 94.4 Employee disclosure.
- 6 An employee shall disclose to an employer, at the time
- 7 of employment or thereafter, all inventions developed by the
- 8 employee, for the purpose of determining employer and employee
- 9 rights to an invention.
- 10 Sec. 5. APPLICABILITY. This Act applies to employment
- ll contracts entered into on or after the effective date of this
- 12 Act.
- 13 EXPLANATION
- 14 The inclusion of this explanation does not constitute agreement with
- the explanation's substance by the members of the general assembly.
- 16 This bill provides that any provision of an employment
- 17 agreement which provides that an employee shall assign or offer
- 18 to assign any of the employee's rights to an invention, as
- 19 defined in the bill, to the employer shall not apply to an
- 20 invention for which equipment, supplies, facilities, or trade
- 21 secret information of the employer was not used and which was
- 22 developed entirely on the employee's own time, unless specified
- 23 conditions apply.
- 24 A provision of an employment agreement in violation of the
- 25 bill is void and unenforceable. The bill prohibits an employer
- 26 from requiring an employee to enter into such an employment
- 27 agreement as a condition of employment.
- 28 If an employment agreement contains a provision requiring
- 29 the employee to assign any of the employee's rights to any
- 30 invention to the employer, the bill requires an employer
- 31 to provide, at the time the agreement is made, a written
- 32 notification to the employee of the employee's rights provided
- 33 under the bill.
- 34 The bill requires an employee to disclose to an employer, at
- 35 the time of employment or thereafter, all inventions developed

S.F. 312

- 1 by the employee, for the purpose of determining employer and
- 2 employee rights to an invention.
- 3 The bill applies to employment contracts entered into on or
- 4 after the effective date of the bill.